



May 22, 2008

To: All Soil and Water Conservation Districts

From: Kathie Shea, Program Coordinator

Subject: SCD Financial Reports

**Idaho Soil
Conservation
Commission**

PO Box 790
2270 Old Penitentiary Road
Boise, ID 83701-0790

Phone (208) 332-8650
Fax (208) 334-2386

scc.idaho.gov

Governor

C.L. "Butch" Otter

Commission Members

Bill Flory
Dwight Horsch
Richard Rush
J. Morgan Evans
Joe Davidson

Administrator

Jerry Nicolescu

This memo is the Soil Conservation Commission's (SCC) official notice requesting Conservation District annual financial reports.

You are receiving this notice early in order to inform District about changes in Idaho Soil Conservation District Law concerning audits.

Section 22-2721(F) of Idaho Code now states "Supervisors shall provide for independent financial audits in accordance with the provisions of section 67-450B, Idaho Code, with the exception of the provisions of subsection 2 (d) of section 67-450B, Idaho Code. The governing body of a district whose annual budget from all sources does not exceed fifty thousand dollars (\$50,000) may elect to have its financial statements reviewed on a biennial basis. Biennial reports of review shall include a review of each fiscal year since the previous review report".

Section 67-450B of Idaho Code which is now part of District Law states:

- The governing body of a local governmental entity whose annual budget (from all sources) exceeds two hundred fifty thousand dollars (\$250,000) shall cause a full and complete audit of its financial statements to be made each fiscal year.
- The governing body of a local governmental entity whose annual budget (from all sources) exceeds one hundred thousand dollars (\$100,000), but does not exceed two hundred fifty thousand dollars (\$250,000) may elect to have its financial statements audited on a biennial basis and may continue biennial auditing cycles in subsequent years as long as the entity's budget does not exceed two hundred fifty thousand dollars (\$250,000) during either year of any biennial period. Biennial audits shall include an audit of each fiscal year since the previous audit.

The District will send one copy of the audit or review to the Idaho Soil Conservation Commission and one copy to Legislative Service Office, Attn: Local Audit Coordinator, P.O. Box 83720, Boise, Idaho 83720.

The Financial Review or Audit schedule will be:

- Districts with total expenses of \$250,000 or more will need an audit which will be due to the Soil Conservation Commission and the Legislative Services Office by Sept. 15, 2008
- Districts with total expenses during fiscal year 2008 and fiscal year 2009 of \$100,000 to \$250,000 may elect to have a biennial audit which would cover July 1, 2007 – June 30, 2009 and would be due by Sept. 15, 2009.
- District with total expenses of less than \$100,000 during fiscal year 2008 and fiscal year 2009 may elect to have a biennial review which would cover July 1, 2007 – June 30, 2009 and would be due by Sept. 15, 2009.

Audits and financial reviews shall be performed by an independent certified public account in accordance with generally accepted government auditing standards and shall be employed by a written contract.

If the District cannot meet the September 15 deadline they may submit a deadline extension request. The letter must be on district letterhead and signed by a District Supervisor and include the reason for requesting the extension and the expected transmission date. The requested suspension date cannot be later than December 31, of the same year.

Enclosed with this notice are Guidelines for Conservation District Annual Audits and some additional tools to assist District in finding a CPA, getting an estimate from a CPA and contracting with that CPA or firm. In addition there is a sample list of possible item a CPA may need to perform your audit or review.

If you have any questions, please contact Kathie Shea at 332-8647 or kshea@agri.idaho.gov or Jerry Nicolescu at 332-8649 or jnicolescu@agri.idaho.gov